

AFRICA FINTECH OVERVIEW

PUBLIC MARKETS : THE FINTECH THEME ALIVE AND KICKING IN AFRICA'S LARGEST ECONOMY

Nigerian **e-payment transactions rose 59% to USD 188bn** in 2024. Data from Nigeria Interbank Settlement System (NIBSS) e-payment data for 2024 showed that the NIBSS Instant Payment (NIP) had the highest volume during the period – 92%. This was followed by Mobile Money Operation transactions – 29%. Interestingly, the number of fraudulent transactions decreased dramatically



An important driver, to both Nigeria and the Fintech theme, **Diaspora Remittances, grew by 79% to USD 5.5bn**. This was primarily driven by the FX liberalization and improved confidence in the local economy. Notably, Nigeria's FX reserves increased by 25% or USD 8bn.

VENTURE MARKETS : AFRICA VC AND PE DEAL UPDATE

- Egyptian fintech MoneyHash has raised \$5.2 million in pre-Series A funding to fuel global expansion.
- Egyptian fintech Raseedi has acquired its counterpart Kashat in an equity deal to broaden its product offerings and launch instant cash loans.
- Nigerian fintech Moniepoint has raised over \$10 million from Visa, and is in talks with other investors to secure more funding in the coming months. Moniepoint's Series C now totals over \$120 million.
- Egyptian fintech Fincart has raised a pre-seed round
- Egyptian B2B loyalty platform Prepit has been acquired by Dsquares
- Egyptian fintech Khazna has raised \$16 million in a pre-Series B round from new and existing investors. The funds will support its digital banking license application in Egypt and drive expansion into Saudi Arabia.
- Ivorian fintech Cauridor has raised \$3.5 million in a seed round
- Egyptian social commerce startup Taager has raised \$6.75 million in a pre-Series B
- Nigerian fintech Raenest has raised \$11 million in a Series A round

ECONOMIC AND POLITICAL OVERVIEW

NIGERIA 

Nigeria’s foreign reserves recorded an impressive **USD 8bn gain** between January 10, 2024, and January 10, 2025, marking a 23% year-on-year increase. The gross reserves, which began at USD 33bn at the start of 2024, closed the period at USD 41bn, underscoring the strengthening of the country’s external financial position amidst evolving global and domestic economic conditions.

The Central Bank of Nigeria (CBN) has reported that the country’s non-oil exports have increased by 19% in September 2024. According to the CBN’s Economic Report for October 2024, this growth was largely driven by increased receipts from the export of agricultural commodities, reflecting Nigeria’s diversification efforts away from oil dependence.

Macro releases included (December stats):

- Inflation accelerated to 34.8% y/y (Nov: 34.6%).
- FX reserves slide to USD 39.8bn (Nov: USD 40.8bn).
- PMI was 42.7(Nov: 49.6).



EGYPT 

In November, remittances of Egyptian expats, sustained their strong recovery since the EGP was floated back in March, **rising 65.4% y/y to USD 2.6bn**, according to data released by the Central Bank of Egypt (CBE). In the period from July-November, **remittances surged 77% y/y to USD 13.8bn**, while they jumped 47% y/y in 11m24 to USD 26.3bn.

Egypt **attracted a record 15.7mn tourists in 2024**, surpassing the previous year's record of 14.9mn (+5.4% Y-o-Y), Tourism and Antiquities Minister Sherif Fathy said Tuesday.

Minister of Investment and External Trade Hassan El-Khatib announced Monday that **Egyptian exports reached an all-time high of USD40bn in 2024**.

Macro releases (December stats):

- Inflation was 25.5% y/y (Oct: 26.5%)
- FX reserves were USD 47.0bn (Oct: USD 46.9bn)
- PMI slip to 49.2(Oct: 49.0)

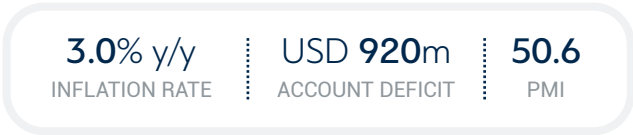


KENYA 

Kenya Power connects 19,000 delayed projects, backlog falls 90%. Kenya Power added 19,029 corporate customers to the grid in the financial year ended June 2024.

Macro releases (December stats):

- Inflation was 3% y/y (Nov: 2.8%)
- PMI slide to 50.6(Nov: 50.9)
- 2q23 current account deficit widened to KES 138.7bn (USD 920m)
- The Central Bank of Kenya (CBK) anticipates GDP growth for 2023 at 5.7%



MOROCCO 

Cement deliveries up 9.5% by the end of December 2024. The Ministry of National Land Planning, Urban Development, Housing and Urban Policy published the evolution of cement deliveries by the end of December 2024. As such, cement deliveries stood at 1,293kT in December 2024, up 15.2% as compared with December 2023. Over the full year 2024, cement deliveries rose by 9.5% to 13,693kT.

Morocco is poised to join the liquified natural gas (LNG) production market for the first time in its history by the end of this year. The British company Sound Energy said it is nearing completion of a gas liquefaction facility at the Tendirara field in eastern Morocco. Sound Energy CEO Graham Lyon said that production trials are set to kick off next summer, with commercial production starting at a daily 10mn cubic feet a day (mcf/d) by late autumn. Production capacity is expected to increase eventually to 40 mcf/d as additional fields are developed. Still under development, Tendirara is one of Morocco’s largest onshore gas fields, holding an estimated 10.67bcm of natural gas. The project aims to reduce Morocco’s reliance on gas imports, which currently supplies most of the country’s needs to produce electricity, phosphate drying, and ceramic and iron production and accounts for 1bn cubic feet

Morocco’s tourism revenue is expected to surpass MAD110bn (USD11bn) in 2024, according to Tourism Minister Fatim-Zahra Ammor’s announcement at the Chamber of Representatives. The country welcomed 17.4m tourists in 2024, marking a 20% increase from 2023 and a 35% rise compared to 2019. The visitor composition showed a balanced distribution between foreign tourists (8.8mn, with a 23% increase) and Moroccan residents abroad (8.6mn, with a 17% increase). **The tourism sector currently employs 827,000 people, having created 25,000 new jobs in the past year.** The domestic tourism sector has also shown strong performance, accounting for 8.5mn overnight stays in classified hotels during 2024, representing 30% of total overnight stays.

Macro releases included (December stats):

- Inflation was 0.7% y/y (Nov: 0.8%)
- FX reserves was USD 33.1bn (Nov: USD 32.8 bn)
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%)



MAURITIUS 

Macro releases (December stats):

- Inflation was 2.9% y/y (Nov: 3.4%)
- Bank of Mauritius (BoM) kept the interest rate remained 4.0%



COMPANY UPDATES

Key to brackets: (Country | Industry)

MARKET OUTLOOK

Africa is expected to outperform the rest of the world with an improved outlook in 2025. We continue to allocate to high quality businesses; those that score highly on our internally developed, Likert Q-scoring system, both currently and over time. We have two additional quantitative overlays, valuation and growth. We also have two qualitative overlays being management and ESG. What is particularly exciting is that we have a number of businesses across Africa that fit these criteria. The key transformational trends of financial inclusion, urbanisation and economic formalisation underpin a robust African consumer story that is taking shape regardless of global volatility. We allocate to the best companies in the sectors that tap into this transformation. At the moment, we have a bias towards financial inclusion and fintech themes as they do particularly well on our growth metrics.

Nigeria – The new President is taking reforms seriously, collapsing all rates to a single I&E window; a hugely positive signal to the markets. This, as new bills have been signed into law coupled with other positive moves, including the removal of fuel subsidies. The road to full recovery will take committed policy change and will be bumpy. The communications, fintech and banking sectors are growing strongly, yet high quality companies exploiting these, are at all time low valuation multiples.

Egypt – The short term outlook for Egypt is extremely positive on the back of the UAE real estate deal, the IMF and the World Bank deals. The tourism outlook has improved, wheat prices have halved, and strong remittance growth has returned. With the bulk of household consumption in cash, the investment opportunity for us in fintech is immense in this 100m population country and it will also drive economic formalisation and increased government revenue through widening of the tax net.

Morocco – Morocco's key economic drivers are mining, agriculture and tourism. Tourism is rebounding with positive indicators for 2025. In terms of outlook, it remains a stable, mid-growth country with excellent opportunities in retail, manufacturing and fintech.

Mauritius – Tourism rebounded and growth prospects are positive.

Kenya – Peaceful elections and a new, business-friendly President bode well for the country in the foreseeable future. Continued recovery in tourism, lower soft commodity import prices and a rebound in food exports should provide tailwinds. Corporate expansion into neighbouring countries such as the DRC and Ethiopia, provide significant opportunities for Kenya. Safaricom and Equity Group are the two main drivers. IMF and World Bank support will also allow the country to maintain a strong growth trajectory.